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Standard of Living in Poland

For the past four months Polish officials have been explaining why the 6-Year Plan (1949-1955) failed to raise the standard of living for a majority of the workers. On 31 December 1955 Hilary Minc, First Deputy Premier, delivered a long and rather defensive report on Polish failures in the 6-Year Plan. On 6 April, Edward Ochab, the new Party First Secretary, explained in some detail why the past six years in Poland have been so austere and difficult. He attributed most of the trouble to agriculture and declared that a substantial rise in agriculture production would be necessary before any impressive improvement in the standard of living could be achieved.

Nearly all Polish reports on living standards emphasize the great effort that has gone into increasing military power. The production in Poland of tanks and radar installations is pointed to with pride even though it is admitted that these accomplishments deprived other industrial units of first-class engineers and technicians. M. Ochab on 6 April stated that defense investments can now be reduced and military expenditures will be cut wherever possible. According to Polish officials the money thus saved will be used for wages and pensions.

The 6-Year Plan provided for a 40 percent increase in real wages. The government has claimed an increase of only 26 to 27 percent but several Sejm deputies have challenged these figures as too high. The government defends its figures by pointing out that they represent an average increase. Some industries have had substantial increases in wages. Highest wages- over 20,500 zlotys - were paid last year in the coal industry; workers in the foundry industry received

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an average of 18,000 zlotys, and those in the machine building industry

15,500 zlotys. Such wages, however, are paid to only a minority of the workers.

In education and the health service a considerable number earn less than 500

zlotys a month. The government defends such low wages by contending that because

of its limited resources it has been impossible to improve the living standard of

those who are employed in the less critical sectors of the economy.. Polish

officials admit this means that the standard of living has changed little, if

any, for the majority of workers.

The Polish government has promised a 5,000,000,000 zloty increase in total

wages to be paid to Polish workers this year but how much this will increase

real wages is a question. Effective 1 May the minimum monthly "day wages" are

to be raised from 364 zlotys to 500. According to M. Ochab, wages will be

raised this year for 3,400,000 of Poland's 6,500,000 workers. Polish officials,

however, are already expressing regret that the proposed raise will be so inade-

quate, but regard it as inevitable considering the limitations of the Polish

economy. The Polish leaders are stressing the need for more thorough political

training and better understanding of difficult economic problems. In this way it

is hoped that the grumbling housewives and low-paid workers will understand why

the Five-Year Plan cannot perform miracles for the consumer.

High prices and scarcity of goods have been and are now very much in evi-

dence in Poland. The zloty is nominally worth \$.25 but its purchasing power

is much less, especially if it is used to obtain consumer goods. For example,

a suit of clothes costs 2000 zlotys in Poland. That means that for clothing

the zloty-dollar ratio is not 4 to 1 but closer to 40 to 1. On such items as

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silk stockings the ratio rises to 200 to 1. However, if the consumer is buying sausage the ratio drops to 16 to 1. In addition to high prices the better quality consumer goods are usually unavailable to the average consumer. Special retail stores cater only to the privileged groups in Poland and this benefits a negligible number.

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PolandIndices of Net Monthly Wages of Socialized Nonagricultural Workers,Retail Prices, and Real Wages

Year	Net wage in Socialized Economy (average slotys per month)	Index (1949=100) a/		Index (Previous Year=100)			
		Net monthly wage	Retail Prices and Services	Real Wages	Net Monthly Wages	Retail Prices and Services g/	Real Wages g/
1949	447.29	100	100	100			
1950	540.51	120.8	107.6	112.3 ^{b/}	120.8	107.6	112.3 ^{b/}
1951	591.89	132.3	117.8	112.3	109.5	109.5	100.0
1952	644.01	144.0	134.9	106.7	108.8	114.5	95.0
1953	911.34	203.7 ^{c/}	192.4	105.8 ^{d/}	141.5 ^{e/}	142.6	99.2
1954	967.14	216.2	180.5	119.7	106.1	93.8	113.1 ^{f/}
1955 (Prelim)	1009.94	225.7	176.7	127.6 ^{f/}	104.4	97.9	106.6 ^{g/}

a/ Source: Warsaw, Trybuna Ludu, No. 33, 3 February 1956, "How the Increase of the Working Peoples' Real Wages Has Developed in the Last Six Years", (official figures of the Polish regime).

b/ A previous official statement reported real wage to be only 6 percent over that of 1949.

c/ This appears to be at variance with the decree of January 3, 1953 by which many wages were increased an average of 25 percent.

d/ A previous official statement gave this as a 5 percent increase.

e/ Official reports had previously announced an 11 percent increase for 1954 (not 13.1%) and a 6 percent, not a 6.6 percent increase for 1955.

f/ Introducing the corrections indicated by footnotes b/, c/, and e/, the real wage index for 1955 would be 116.7 not 127.6. The 1955 real wage is much lower than 127.6 (113.8) even without such corrections when 1950 is used as a base rather than 1949.

g/ Computed from index on 1949 base as given in source a/.

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